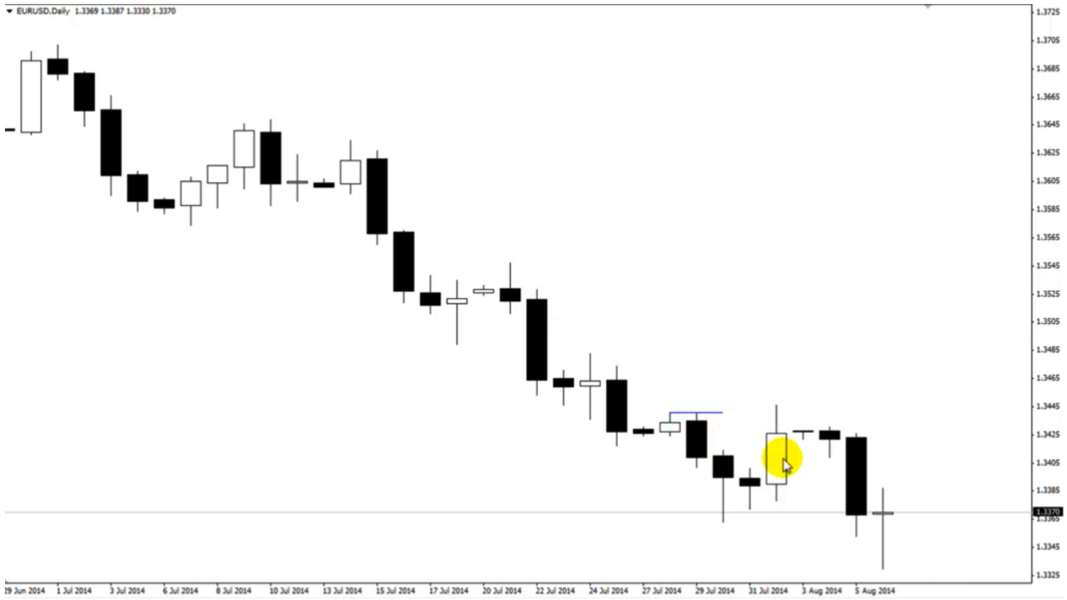
WENT 05

Saturday, August 9, 2014 7:30 PM

- Higher time frame trends tend to stay in one direction for a long period of time.
- The standard ICT kill zone is 2:00-4:00AM and can start an hour before that and go to until as long as an hour after that as well.
- When risk is on in the market, the US Dollar will be falling.
- Between 7:00 - 9:00 GMT is typically when the high or low forms at London open.
- The opening price that we should be selling above on down days in 5:00GMT, not 0:00 GMT.
- If you are trading London, you really need to be awake and in front of the charts.
- Price doesn't have to rally above the Asian range for a London open sell, it just has to rally from 5:00GMT and possibly take out a small time frame high or into some sort of OTE.
- Do not be in forums trying to teach other people when you are a developing trader. If you are not making a living at this don't try to teach it to other people.
- ICT's best learning in his career came in the last 8 years of his 20 years of trading experience.
- Trading will make you feel you are bigger than you real are, it will make you feel smarter than you really are, and it will also make you feel like much less of a person that you really are.
- You are in the driver seat. There is no one to blame for your losses and no one to give credit to for your wins except for you.
- If you are looking for software programs to put on trades on, **YOU ARE LAZY**. **LAZY** doesn't pay!!!
- If they are selling something they need money. If they need the money, they are not that good of a trader.
- The Market Wizards books are very inspiring. They have good stories that are fun to hear.
- I should look for a retracement on anything that has a Judas Swing at London Open and looks like it tripped stops to turn and go the other way. Look for retracements in the direction price propelled the rest of the day in session kill zones as long as the 5 or 10 day ADR is not fulfilled and the range/expansion phase support a long range day. Use support & resistance of course and look for other confluences and order blocks.
- Once we are in a London open setup we like to look for range projections, which is using Fibonacci and swing projections, we like to use the Average Daily Range (ADR).
- It's probably a good idea to track Average Daily Ranges on multiple time frames just to gauge the market and how it might be changing.



- The above image is using a Fibonacci extension to find the exit point for a day trade. We expect the swing up to the upside to be a measurable move once the low is taken out to the down side. We look for 127% extensions, 162% extensions, and a 200% extension which would be a doubling from that measure low up to the measured high. That is measured from the low down.
- If price gets to once of those levels at the New York profit taking times of the day, that's where you take profits.
- If the USDX is poised to rise, why the would the heck would be the EUR/USD also be rising on the same day? That is a move that is move counter to what the USDX is doing even while in a down trend. That is divergence. That is a swing trade opportunity. The Fiber is rallying in a risk off scenario so they are setting up a move that is going to go a little bit lower. In this situation you should also look for which pair of the Cable & Fiber are the weakest. You would do this by seeing which pairs have been making high or highs or just being soft and continuing lower.



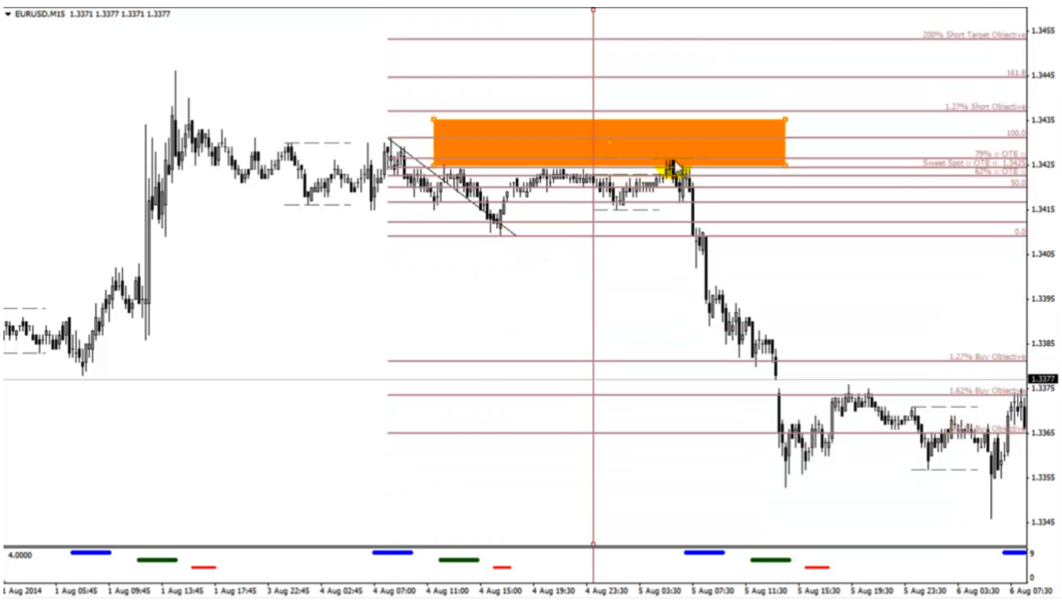
- If you add 10 pips to the highs that the trend line is drawn across, that is probably where all the stop loss are going to be resting. Those are 2 consecutive highs that are basically the same. The Fiber goes up and goes **JUST** above that level. Zooming into that day and measuring the 10 pip area:



- The level above is such a clean level, too clean. Stops will be resting right above that. 10 pips, that's as far as we want to see it go before it gets rejected and if it does that what we just witnessed was a raid on stops and the bad boy is going lower. Also notice the bull flag looking pattern on the right side of the chart. There are times when those textbook patterns will work, but it is going to be when it's in line with the overall tone of the market place when it's set up to move.
- The market makers must do analysis on most commonly traded systems and chart patterns and then use those statistics to take advantage of blowing stops for liquidity.
- ICT is usually around at 12:15 - 1:00AM his time looking for possible setups for London open based on what he is seeing on the charts around that time.
- How much of a Judas Swing you need to see it depends what you see on your chart. You do not need to see much of Judas Swing in the example below based on those market conditions on the 15 minute chart. The trader's going short from the previous day have their stops resting above the most nearest high, plus they are going to try to get breakout trader's that think that previous day's action is a bull flag. I see a very short term OTE right after the stop raid happens:



- It also has an OTE confluence on top of all of the above:





- The image above is showing how we can use Fibonacci extensions to measure where price might get to on that same short. There are good lows that probably have stops under them that would be a good place to measure the Fibonacci tool from.
- There is no incorrect way to take profits. If you take a profit, you are better than you were before the trade.
- Look for a confluence of Fibonacci levels lining up with other Fibonacci levels measure from different swing points for finding a profit that should be pretty solid.
- The best way to make money is to hold until the close was good advice by Larry Williams. If you are just scalping and taking a little amount of pips then you are leaving a low on the table.
- The idea of incorporating directional premise \\



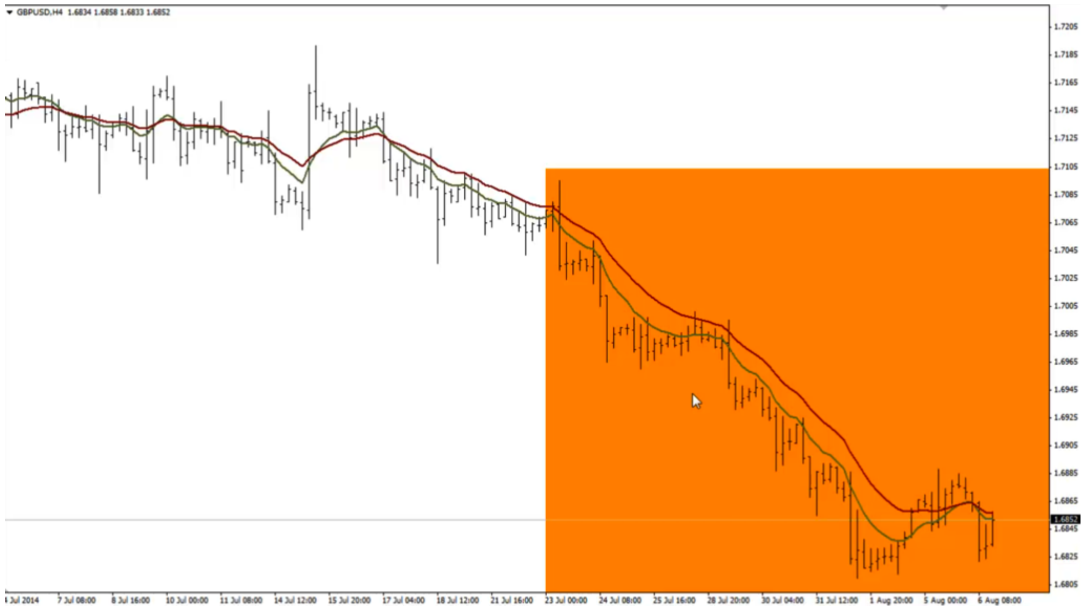
- At this same time we are a sport of great institutional sponsorship based on the exponential moving averages on the daily chart. That means look for sell scenarios in the Fiber and Cable.
- The 18 and 40 exponential averages are used when looking for swing trades or short-term trades. To look for intraday day trades you would use the 9 and 18 exponential moving averages.
- When 9 EMA is above the 18 EMA you in a buy program and should look for down move into London open and stop raid candidates to buy. If you are a New York trader you wait for that very thing you were expecting to occur and then you wake up at New York and look for a retracement opportunity or another stop raid candidate to occur.



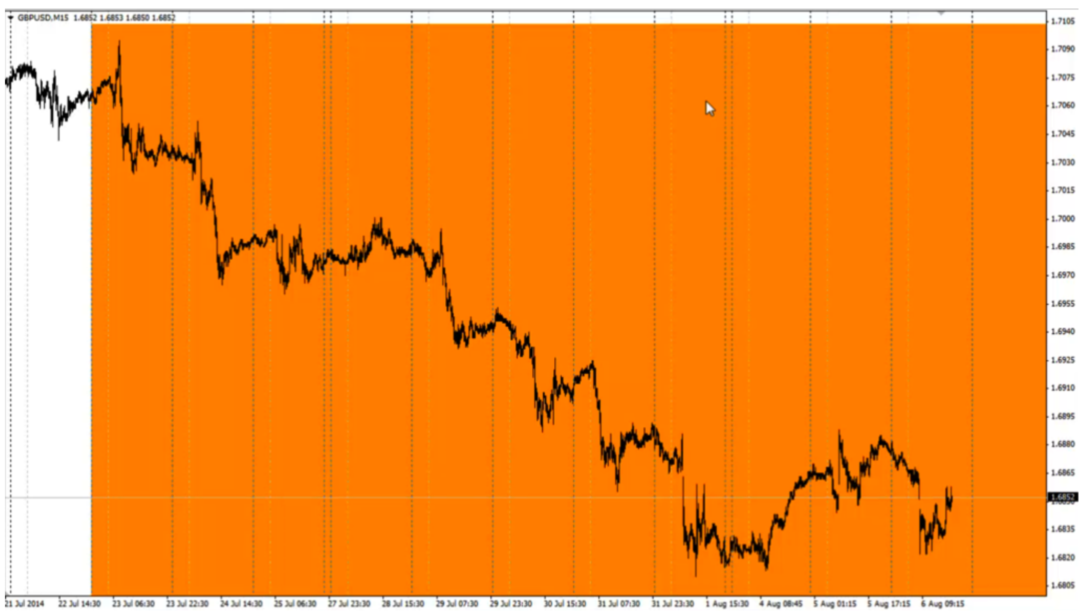
- In a trending environment based on the moving averages, once we are in a buy or sell program we should flip to a OHLC chart and anticipate and visualize the London open Judas Swing. In this environment happening, the chances that it does do that are in your favor. This is literally how you ride the coat tails of the smart money.
- Since we are not getting as much range as we used to get, ICT adapted to the market and now targets 30-50 pips

per week.

- People that trade against institutional sponsorship are absolutely nuts.
- Also look for Judas Swings higher if the exponential moving averages on the 4 hour chart are stacking downwards:

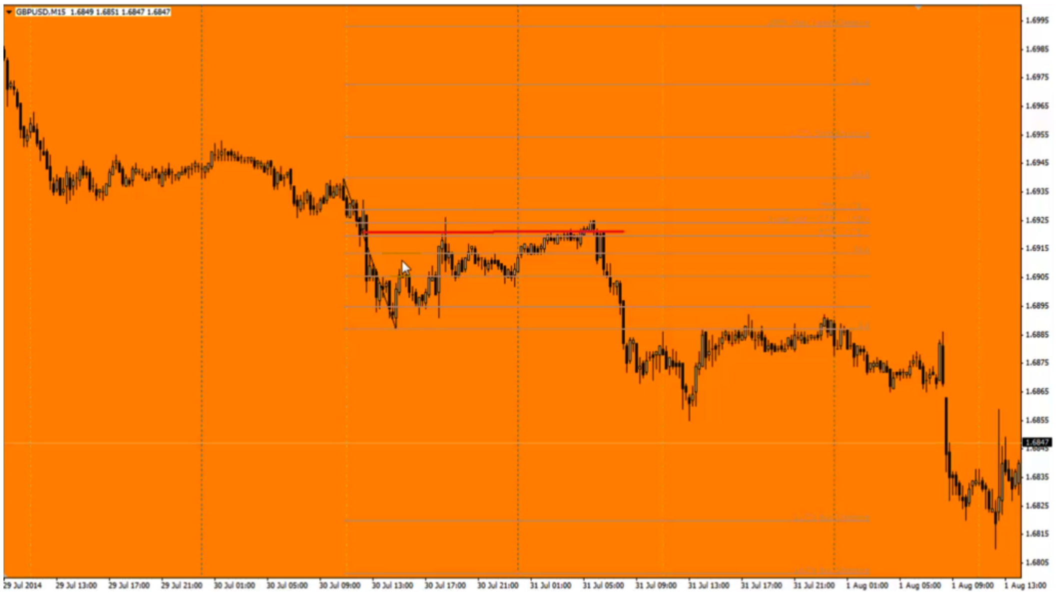


- Do not pay attention to moving averages under the H4 time frame.
- The point of the orange box is to say that you should only be a seller in this situation.



- This is compressed to a 15 minute time frame so you can see that in the sell environment we would look for rallies after 5:00GMT which would be midnight New York time. There is no reason to be a buy in the orange box. You would be buying in an environment when the large institutional sponsorship is showing that they want to be selling. When you are on the same of trading as these guys, trading just works out.
- In these environments there will always be a swing higher. We want to worry about the rally and where old highs are that stops could be resting above. These can be found on the 15 minute chart.
- If you make money on Tuesday or Wednesday don't do anymore trading the rest of the week.
- Above clean highs there are going to be stop losses. Double tested areas would be considered clean or suspect. This was seen on a 15 minute chart.
- One little 50 pip trade on a Tuesday and you could be done trading for the week.
- In a down environment like we have been demonstrating above and we take out a previous day's low then the chances are likely that the retracement won't be very far and we can shorter optimal trade entry's.
- **DO NOT** try picking bottoms in a bear market!
- Just go with institutional sponsorship and take out all the wanting to be right.
- The Judas Swing up at 5:GMT does not need to be much at all if it is lining up with other things nicely like an optimal trade entry and a bearish order block on the 15 minute time frame.

- An order block does not need to be the candle before the one that you draw the Fibonacci off of.
- When you have gaps on your chart, you want to put blocks on them and map them out in time because price is going to want to get back to those and fill the gap.
- You can use 10:00GMT for New York open time.
- A vertical line at 11:00GMT will basically give you the end of the "Asian Range" for the New York session, so that's basically where you want to look for the Judas in that session.
- If we are going to be a buy in New York open we would want to see a down move right after 11:00GMT in order to take the buy.
- Keep in mind that London usually posts the high or low of the day so if New York has a deep retracements it is most likely not going to get above or under that high or low before reversing back in the days direction. Gaps on intraday basis can help with the premise based on filling a gap from earlier in the day.



- You can't start adjusting your stop on the above short trade until the Fib low gets taken out.
- July and August are the worst months in terms of volatility.
- Price is usually not as clear or clean in terms of where it can go.
- Studying market profiling to a great degree would be great for your trading.
- Moore Research has the best seasonal tendency stuff that you can find.